
From: Thomas M. Krohley [krohley@ix.netcom.com]
Sent: Friday, October 13, 2000 3:36 PM
To: Nassif Aoun (Internet)
Subject: Consultancy Agreements
Attachments: CONSULTANCY II.doc; CONSULTANCY I.doc

Nassif:

Attached are 2 consultancy agreements as we discussed. Please note that base pay was grossed up by 8% due to 2 factors. Currently base pay is supplemented by 8% for profit-sharing and 401k plan matching. Also, any pay under consultancies is subject to the employer's social security withholding (7.65%) in addition to the employee's social security withholding. Actually, even with the gross up, we are both about 8% on a monthly basis less than current pay.

If agreeable with you, kindly sign and fax to me signature pages, and send originals by mail for our hard-copy executions. Please phone if there are any questions.

Thanks,
Tom

CONSULTANCY AGREEMENT

Consultancy Agreement, dated as of October _____, 2000, between Virginia I. Pensa ("Pensa") and The National Commercial Bank, Jeddah, Saudi Arabia ("NCB").

1. Scope of Consultancy

(a) NCB appoints Pensa, and Pensa accepts such appointment, as a consultant to assist and advise NCB on matters described below subject to the limitations described in Section 2 hereof:

(i) Advising and assisting NCB in activities involved with the closure of SNCB Securities Inc., an indirectly owned subsidiary of NCB, including the termination of its activities and liquidation of its corporate entity;

(ii) Advising and assisting NCB in activities involved with the transfer and subsequent on-going administration, of administrative functions of NCB's Investment Services Division's off-shore mutual fund structure in the British Virgin Islands, formerly provided by SNCB Securities Inc., to NCB and NCB's Saudi Arabian-based legal counsel;

(iii) Advising and assisting NCB in activities involved with the liquidation of the assets of Hospitality Investment Partners, an investment vehicle formed by and indirectly controlled by NCB; and

(iv) Advising and assisting NCB in activities involved with other general matters of the NCB's Investment Services Division as may arise and be mutually agreed upon by NCB and Pensa during the term of this Agreement.

2. Limitations

Notwithstanding anything to the contrary set forth in Section 1 or otherwise in this Agreement, unless specifically granted such authority in writing by the party to be bound after the date of this Agreement, Pensa shall have no power or authority to bind or contract for NCB or SNCB Securities Inc. except, if during the term of this Agreement, Pensa remains an Officer and/or Director of SNCB Securities Inc. in which case Pensa shall have those powers as are granted to an Officer and/or Director of SNCB Securities Inc.

3. Fees and Expenses

(a) As consideration for services rendered under this Agreement, Pensa shall be entitled to receive fees and expenses as set forth below:

(i) Monthly Fee: NCB agrees to pay Pensa a monthly fee equal to US\$6,520 per month, payable on the 15th day of each month.

(ii) Expenses: NCB agrees to reimburse Pensa for expenses incurred in the course of rendering services under this Agreement, including but not limited to expenses for telephone and fax, office supplies, courier, domestic and international travel and entertainment and miscellaneous office expenses provided that no travel and

entertainment expense, and no expense exceeding \$300 is to be incurred without NCB's prior approval. Pensa will invoice for reimbursement of expenses each month such expenses are incurred and reimbursement is payable by NCB on the 15th of each month.

(iii) Payment of Monthly Fee and Expenses: Payment of monthly fee and Expenses shall be made by NCB by money transfer from NCB to:

Routing #021000089 Citibank, N.A.
For credit account #50713818 Citibank Checking
Virginia I. Pensa, 45 Grant Dr., N. Valley Stream, N.Y. 11580

4. Indemnification

NCB shall indemnify and hold harmless Pensa from and against any and all liabilities, claims, demands, losses, damages, causes of actions, attorneys' fees and disbursements, costs or expenses of any nature whatsoever arising out of or incidental to Pensa's performance of the activities covered herein, including activities Pensa may conduct in the capacity of Officer and/or Director of SNCB Securities Inc. after December 31, 2000, except in cases of gross negligence or willful misconduct by Pensa. This right of indemnification shall survive termination of this Agreement.

5. Term

This Agreement shall be effective as of January 1, 2001. This Agreement shall continue in force for a period from such effective date until February 28, 2001 unless it is extended by mutual consent of NCB and Pensa. This Agreement is non-cancelable by NCB, Pensa or NCB successors and assigns.

6. Amendments

This Agreement shall not be changed, modified, terminated, or discharged in whole or in part except by an instrument in writing signed by the parties hereto, or NCB successors or assigns.

7. Assignment

No party hereto may assign any of its rights or obligations hereunder without the prior written consent of the other party.

8. Notices

All notices and communications required or permitted hereunder shall be in writing and sent to the address set forth below:

To NCB:

The National Commercial Bank

Al Nakeel Center
Jeddah 214881, Saudi Arabia
Attention: Investment Services Division

To Pensa:

Virginia I. Pensa
45 Grant Dr.
N. Valley Stream, New York 11580
USA

9. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, Virginia I. Pensa and The National Commercial Bank, the latter by an authorized officer, have caused this Agreement to be duly executed on October _____, 2000.

THE NATIONAL COMMERCIAL BANK

By: Nassif L. Aoun, Investment Services
Division Head
The National Commercial Bank

VIRGINIA I. PENSA

By: Virginia I. Pensa